MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2017/2018

BFB1024 – FUNDAMENTALS OF BUSINESS AND ENTREPRENEURSHIP

(All sections/Groups)

5 JUNE 2018
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 5 pages with 2 Sections only.

2. Answer **ALL** questions.
   Section A: Fill the answers in the OMR sheet.
   Section B: Write your answers in the Answer Booklet provided.

3. The distribution of the marks for each question is given at the end of each question.

SECTION A: ANSWER ALL QUESTIONS (25 MARKS)

1) Which of the following is (are) true regarding entrepreneurial education?
A) entrepreneurship has become an extremely popular course.
B) universities are not able to meet the demand for courses in entrepreneurship.
C) more courses are being offered in entrepreneurship.
D) All of the above

2) ABC wants to be in control. She's tired of taking orders from her customers and wants to feel a sense of accountability for the outcome of her work. ABC displays the entrepreneurial characteristic of _____.
A) the desire for immediate feedback.
B) a desire for responsibility.
C) confidence in his ability to succeed.
D) a high energy level.

3) What is the main reason for the growth of entrepreneurship?
A) the return to a manufacturing-based economy.
B) technological advancements.
C) diminished opportunities in overseas markets for larger corporations.
D) the vilifying of large corporations in society.

4) Part-time entrepreneurship is better than starting up a company full-time in that _____.
A) it is a much lower risk for the entrepreneur.
B) it doesn't require a business plan.
C) the entrepreneur can change products and markets more easily.
D) the entrepreneur doesn't need to know the industry as well.

5) What is the most important reason for a businesses fail?
A) incompetent management
B) theft by employees
C) insufficient capital
D) poor choice of location

6) Management incompetence includes all of the following **except** _____.
A) the owner lacks the leadership ability necessary to operate it successfully.
B) lack of capacity to make the business work.
C) insufficient capital.
D) inexperience.

7) Convenience, speed, customer service and quality are all examples of _____.
A) learning to manage people effectively.
B) generating more revenue.
C) small businesses.
D) setting your business apart from others.

Continued...

8) _____ is an example where people test products in physical stores but buy them online.
A) Showboating
B) Commoditizing
C) Onlining
D) Showrooming

9) What is the Internet's greatest strengths is its nature?
A) efficiency
B) collectivistic
C) interactive
D) atavistic

10) _____ is suitable for many e-tailers.
A) Drop-shipping
B) Virtual shipping
C) Customer shipping
D) Group shipping

11) Today's contemporary leader is different from leaders in the past in that he/she _____.
A) is now like an orchestra conductor, guiding the members through the proper use of power.
B) is like a referee in a TV wrestling match, running about, yelling directions, and keeping the organization's members from killing themselves.
C) is like the leader of a jazz band, guiding individual and group creativity and innovation.
D) is in tight control of resources and authority but delegating responsibility and opportunity.

12) If you want a company to be successful, as a leader you must perform four vital tasks which include _____.
A) knowing what to do.
B) motivate workers to higher levels of performance.
C) knowing how to do.
D) wanting to do something.

13) Why effective communication is blocked between leaders and followers?
A) information overload or ambiguity in the communication.
B) the followers' use of the grapevine.
C) the lack of nonverbal signals in an e-mail message.
D) the leader being too empathetic when talking with followers.

Continued...

14) What do you think about the grapevine? The grapevine in most organizations is _____.
A) almost always incorrect in its content.
B) nonexistent in organizations where management communicates face to face and by memo.
C) the first place employees hear about major organizational changes.
D) generally only used by troublemakers and gossips within the organization.

15) ABC, the human resources manager, is conducting an orderly and systematic evaluation of all the facts about a new position in order to determine what kind of employee to hire and how to compensate the position. This is called a _____.
A) job description.
B) human resource plan.
C) job specification.
D) job analysis.

16) What is the main consideration when you are selecting the ideal location for a business?
A) the available labor pool for the business.
B) knowing the customer and what is convenient to them.
C) the tax rate of the local and state governments.
D) the security of the area and the services provided by the site to the business owner.

17) The first phase in deciding where to set up a business is _____.
A) choosing what state the business owner wants to move to.
B) determining which city has the demographics that fit the business best.
C) conducting an Internet search for information on the cities of choice and competitors in those cities.
D) determining what regions in the country have what the new business needs to succeed.

18) ABC is the owner of a heavy equipment repair and maintenance business. Which of the following criteria for selecting a state in which to locate the business would be of greatest concern to ABC?
A) Labor supply
B) Proximity to markets
C) Tax laws and incentives
D) Proximity to raw materials

19) When selecting a city, as an entrepreneur you need to factor into your decision _____.
A) the population density and growth trends.
B) the nature of competition.
C) the cost of the location.
D) All of the above

Continued...

20) If you work as a telemarketing customer service executive for the credit card business of an interstate bank, what would you be most concerned about?
A) proximity to markets
B) wage rates and labor supply
C) competition and business climate
D) population trends and competition

21) What is a pro forma financial statement? It is a statement _____.
A) looking at the current financial statement.
B) looking at the past financial statement.
C) preparing the current financial statement.
D) preparing a projected financial statement.

22) ABC is reviewing the company's costs and expenses against revenue for the last year. ABC is reviewing the firm's _____.
A) balance sheet.
B) income statement.
C) sources and uses of funds statement.
D) pro forma.

23) ABC is studying those expenses that contribute directly to manufacturing and distribution of goods. He's reviewing _____.
A) cost of goods.
B) general expenses.
C) operating expenses.
D) current liabilities.

24) What shows the change in the firm's working capital since the beginning of the year?
A) balance sheet
B) income statement
C) pro forma
D) statement of cash flows

25) What is the most important tasks facing an entrepreneur?
A) establishing a large enough reserve of capital.
B) earning enough the first year to provide an adequate return on investment.
C) the deferment of taxes.
D) determining the funds needed for a company start-up.

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SECTION B: ANSWER ALL QUESTIONS (75 MARKS)

QUESTION 1

ABC has a strong interest in running a business in Malaysia. Describe **TEN (10)** characteristics needed to become a successful entrepreneur. (25 marks)

(Total: 25 marks)

QUESTION 2

a. What is a cash budget? (5 marks)
b. Discuss **FIVE (5)** benefits of preparing a cash budget. (20 marks)

(Total: 25 marks)

QUESTION 3

ABC would like to find supports to validate the business concept. Discuss **TEN (10)** methods that ABC can search for information that affirm starting the business.
(25 marks)

(Total: 25 marks)

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